

OFFICE OF THE SECRETARY OF STATE



RENEWAL CERTIFICATE OF REGISTRATION

WHEREAS, the Renewal Registration of

MOUNTAIN STATES LEGAL FOUNDATION

has been filed in the office of the Secretary of State as provided by the Oklahoma Solicitation of Charitable Contributions Act and will expire on May 08, 2007 .

NOW THEREFORE, I, the undersigned, Secretary of State of the State of Oklahoma, by virtue of the powers vested in me by law, do hereby issue this certificate evidencing such filing.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the Great Seal of the State of Oklahoma.



*Filed in the city of Oklahoma City this
8th day of May, 2006.*

M. Susan Savage

Secretary of State

FEE: \$15.00

SUBMIT IN DUPLICATE

PRINT CLEARLY

Registration Statement of Charitable Organization☐ Initial Registration☒ Renewal☐ Update

Oklahoma Secretary of State, 2300 N. Lincoln Blvd., Room 101, Oklahoma City, OK
 Telephone: (405) 521-3912

05/08/2006 02:02 PM

OKLAHOMA SECRETARY OF STATE



SOS

1a. The legal name of the charitable organization:

Mountain States Legal Foundation

1b. The organization's employer identification number: 84-0736725



5006320002

2. Any other name the organization may be identified as or known as, and any distinctive names the organization uses for the purposes of public solicitation of contributions:

3a. The organization is a: *x corporation * partnership * other legal entity

3b. When & where was the organization formed to do business?

Month, day, year 4-25-77 State/Country Colorado

3c. Fiscal year ends month/day: December 31

4a. The street address of the charitable organization:

2596 S. Lewis Way, Lakewood Jefferson CO 80227

Street City County State Zip Code

4b. The mailing address of the charitable organization, if different:

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5. The principal business telephone number (include area code): 303-292-2021

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OF STATE

6. The purposes for which the contributions solicited or accepted are to be used: To engage in nonpartisan legal research, study and analysis for the benefit of the general public and to engage in litigation on behalf of its members and itself on issues of public interest.

(No contribution or any portion thereof shall enure to the private benefit of any voluntary solicitor.)

7. The name and street address of the person who will have custody of the contributions:

William Perry Pendley
2596 S. Lewis Way
Lakewood, CO 80227

8. The name and street address of the person(s) responsible for the distribution of funds collected:

William Perry Pendley
2596 S. Lewis Way
Lakewood, CO 80227

9. The period of time during which such solicitation is to be conducted:
Throughout the year, direct mail solicitations
-

10. A description of the specific method or methods of solicitation:

- personal contact.....direct mail..... telephone
• television radio • other _____
-

11. Solicitation will be conducted by: • voluntary, unpaid solicitors ☒ paid solicitors • both
-

12. IF your organization contracts with or otherwise engages the services of any outside fund raising professional (such as a "professional fund raiser," "paid solicitor," "fund raising counsel," or "commercial co-venturer") the information listed on the page titled "Form 101 Attachment: Professional Fund Raiser Information" of this form must be submitted for each professional with this application.

REQUIRED ATTACHMENTS

13. A copy of Internal Revenue Form 990 as filed by the charitable organization for the most recently completed fiscal year; or for the initial registration of a newly formed organization, a copy of a letter from the Internal Revenue Service, or other evidence, showing the tax exempt status of the charitable organization.
14. A complete list of the names, street addresses, and title or position, of each officer, including each principal salaried executive staff officer, director, and trustee of the charitable organization.

EXECUTION AND ACKNOWLEDGMENT

I, the undersigned, being duly authorized to sign on behalf of the charitable organization named herein, have caused this application to be executed this 1 day of May, 2006; and that the contents of the application and each supporting document are true, to the best of my knowledge, and complete.



Signature of President, Chairman or Principal Officer

William Perry Pendley

Type or Print Name

President and Chief Legal Officer

Title

Charitable Organization Financial Statement

NOTE: Every charitable organization which has received contributions during the previous calendar year SHALL file a financial statement WITH its initial registration, and WITH each annual renewal, thereafter, which contains the most recent information as follows. This form must also be signed and acknowledged.

1. The legal name of the charitable organization:

Mountain States Legal Foundation

2. The street address of the charitable organization:

2596 S. Lewis Way	Lakewood	Jefferson	CO	80227
Street	City	County	State	Zip Code

3. The telephone number of the charitable organization: 303-292-2021

4. This report is for the calendar or fiscal year ending: December 31, 2005

- 4a. The gross amount of the contributions collected: 3,165,291

- 4b. The gross amount of the contributions pledged: -0-

- 5a. The gross amount given to the charitable purpose represented: 3,165,291

- 5b. The gross amount to be given to the charitable purpose represented: -0-

- 6a. The aggregate amount paid for the expenses of such solicitation: 570,803

- 6b. The aggregate amount to be paid for the expenses of such solicitation: -0-

- 7a. The aggregate amount paid to professional fund raisers and solicitors: 179,297

- 7b. The aggregate amount to be paid to professional fund raisers and solicitors: -0-

EXECUTION & ACKNOWLEDGMENT

I, the undersigned, being duly authorized to sign on behalf of the above named charitable organization, have caused this financial statement to be executed this 1 day of MAY, 2006; and that the contents of this statement and any supporting document(s) are true and, to the best of my knowledge, complete.



Signature of President, Chairman or Principal Officer

William Perry Pendley

Print or Type Name



MOUNTAIN
STATES
LEGAL
FOUNDATION

2596 South Lewis Way
Lakewood, Colorado 80227
303-292-2021 • FAX 303-292-1980
www.mountainstateslegal.org

Charitable Organization Registration in Oklahoma Information & Instructions

Item 4: Name, street address, and title or position of each officer, including each principal salaried executive staff officer, each director, and each trustee of the charitable organization:

William Perry Pendley
President and Chief Legal Officer
2596 South Lewis Way
Lakewood, Colorado 80227-2705

Telephone: 303-292-2021

**CHARITABLE ORGANIZATION REGISTRATION
ATTACHMENT
Professional Fund Raiser Information**

(Complete one (1) form for each professional fund raiser. Form may be duplicated.)

- a. Legal name of outside fund raising professional:

Bruce Eberle & Associates, Inc.

- b. Street & P.O. box address 1420 Spring Hill Rd., Ste. 490, McLean, VA

- c. Telephone number (including area code): 703-821-1550

- d. Location of offices used by them on behalf of your organization

1420 Spring Hill Rd., Ste. 490, McLean, VA 22102

- e. Simple statement of services provided

Direct mail solicitations

- f. Describe the basis of payment and nature of the arrangement. A copy of the contract or other agreement **MUST** be attached. "See contract" is unacceptable for description.

Payment is made to Mountain States Legal Foundation net of all mailing and administration expenses incurred on behalf of Mountain States Legal Foundation. Income consists of proceeds from donors who have donated through the direct mail program.

- g. Does the professional solicit on your behalf? ☒ yes • no

- h. Does the professional have custody or control of donations at any time? ☒ yes • no
Funds are deposited in an escrow account and paid out of the escrow account to cover Eberle expenses and donations proceeds.

- i. Specific amount or percentage of compensation paid or to be paid to the professional fund raiser:
\$80 per 1,000 fundraising packages processed and mailed

- j. Property of any kind or value paid or to be paid to the professional fund raiser:

No property payments

- k. Percentage value of compensation paid to the professional fund raiser as compared to the: 11.96%

(1) Total contributions received: 1,511,427

(2) Net amount of total contributions received: 428,053

DIRECT MAIL FUND RAISING COUNSEL AGREEMENT

AGREEMENT made this 24th day of June, 1999, between Bruce W. Eberle & Associates, Inc., 1420 Spring Hill Road, Suite 490, McLean, Virginia 22102, hereinafter called Eberle, and Mountain States Legal Foundation, 707 17th Street, Suite 3030, Denver, CO 80202, hereinafter called the Client.

WHEREAS, the Client is desirous of engaging the services of Eberle, it is agreed as follows:

1. **Appointment and Authorization.** Eberle is hereby retained and appointed as the Client's exclusive fund raising counsel for its direct mail fund raising program and list rentals, subject to the terms and conditions of this Agreement. The Client, however, retains the right and authority to continue to engage in in-house direct mail fund raising, including fund raising to those donors on its Eberle generated donor list. The retention of the services of outside contractors to perform logistical support with regard to those in-house mailings shall not constitute a breach of the Client's acknowledgement that Eberle is the Client's exclusive out-of-house direct mail fund raiser.
2. **Services.** Eberle shall provide the following services to the extent necessary to meet the Client's needs:
 - a. *Issues and Copy.* Counsel and advise the Client on issues and copy the Client wishes to use in its direct mail fund raising program. At the direction of the Client, Eberle will prepare draft copy for the Client's review and approval. The Client retains the authority to review, and to approve or disapprove the contents of any mailing undertaken on behalf of the Client to the Eberle generated Client donor list or to any rental list used for the Client.
 - b. *Mailings.* Counsel and advise the client on timing of mailings and list usage as well as promotion.
 - c. *Vendors.* Eberle will counsel and advise the Client on negotiating, arranging, and entering into agreements. At the direction of the Client, Eberle will negotiate, arrange and enter into agreements on behalf of the Client for any materials and services to be used in the direct mail fund raising program.
 - d. *List Rental Promotion.* At the direction of the Client, Eberle will promote the rental of all Client owned mailing lists.
3. **Compensation.**
 - a. *Creative/Coordination Fee.* Eberle shall receive compensation in the sum of eighty dollars (\$80) per one thousand (1000) fund raising packages processed by the mailing house for mailing under the

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terms of this Agreement. A package shall include solicitation letter and other enclosures.

- b. *CPI Adjustment.* Eberle compensation as enumerated in paragraph 3.a. shall be subject to an adjustment at the beginning of each calendar year in an amount equal to the increase in the United States nationwide Consumer Price Index prepared by the United States Bureau of Labor Statistics, but shall in no event be less than the amounts set forth in paragraph 3.a.
- c. *List Rental Approval and Commissions.* Eberle or its agent shall receive a commission of 20% of the standard list rental charge and/or exchanges made directly to organizations and a 40% commission on list rentals placed to other brokers or agencies, out of which Eberle will pay the other brokers' fees. It is further understood and agreed that Omega List Company may at times serve as Agent for Eberle. The Client retains authority to approve or disapprove the rental of its Eberle generated donor list. If the Client approves the rental of its Eberle generated donor list, it shall retain the right to review, and approve or disapprove the contents of any mailing to its Eberle generated donor list.

4. Billing and Payment.

- a. *Billings.* Eberle shall render billings from time to time as necessary on its standard forms and they shall be paid no later than on the due date stated therein.
- b. *List Rental Application.* If during the term of this Agreement invoices due Eberle, Omega List Company and/or the ECG Data Center are at any time sixty (60) days or more past due, Eberle shall have the unrestricted right to apply list rental income received to payment of their invoice(s) and to rent the list created under this Agreement and apply the list revenue income from such rentals to payment of their invoice(s) subject to the provisions of 2.a.
- c. *Advances.* It is understood and agreed that any funds advanced by Eberle or third parties for postage and other direct mail fund raising services or materials shall be reimbursed before any other returns are disbursed to others.

5. Confidentiality and Registrations.

- a. All financial information relating to these accounts, and this contract, shall be held in confidence by Eberle. Further, the Client shall hold in confidence all financial matters in connection with this contract, specifically including Eberle's compensation. It is agreed, however, that financial information may be provided by the Client and/or Eberle to governmental agencies upon receipt of a formal request from a governmental entity. The Client shall immediately notify and provide Eberle a copy of any such formal request and the information provided by the Client. Eberle shall likewise advise the Client of such requests and of Eberle's response thereto.

- b. A number of jurisdictions request some form of registration by organizations such as the Client. It is understood and agreed that it is the responsibility of the Client to register in such jurisdictions.
6. **Receipt and Disbursement of Funds.** All funds generated through the direct mail fund raising program under this Agreement shall be received and disbursed directly by the Client or its designated agent. Eberle shall not serve as agent for this purpose.
7. **Duration and Termination.**
- a. *Effective Date.* This Agreement shall become effective on the ____ day of June, 1999, and shall continue in force until terminated as provided herein.
- b. *Termination.* Either party may terminate this Agreement by giving the other party written notice of termination at least ninety (90) days prior to the effective date of termination. Upon receipt of notice of termination, Eberle shall not commence any new work, but it shall complete its consultation work (as described herein) and place all list rentals previously approved by the Client. All other rights and duties of the parties shall continue until the date of termination. In the event the Client or Eberle desires to terminate all work commenced before the receipt of notice of termination, it may be so agreed upon the parties' mutual consent. Compensation to be received by Eberle for partially completed work shall be mutually determined.
- c. *Billings.* Upon termination of this Agreement, Eberle shall submit its billing for all amounts not previously billed and due Eberle at that time. Eberle shall not be entitled to payment for any new work commenced after the date the written notice of termination of this Agreement was received by Eberle. Eberle shall, however, be entitled to payment for work commenced and approved prior to receipt of such notice, or, with express written consent prior to the effective date of termination.
8. **Disposition of Lists, Property and Materials.**
- a. *List Security.* The list generated and developed during the term of this Agreement shall be kept in a secure manner by Eberle.
- b. *List Usage.* Any rentals, exchanges or other use of any lists created under this Agreement shall be to the sole benefit of the Client during the course of this Agreement, except as provided in paragraph 4.b. of this Agreement. Upon termination, Eberle shall be entitled to unlimited use of said list(s) without any payment to the Client. The Client, its officers, and/or representatives shall not during the term of this Agreement, or at any time subsequent thereto, rent, exchange, donate, sell, or otherwise provide any list(s) created under this Agreement to any third party for any reason whatsoever without the prior written approval of Eberle. After the expiration of the terms of this agreement, and upon payment in full of all outstanding invoices,

the Client shall retain the authority to approve or disapprove the rental of its Eberle generated donor list.

- c. *Final Payment.* Upon termination of this Agreement, all lists produced and used under this Agreement shall be considered the exclusive property of Eberle until final payment of all invoices has been made by the Client. A copy of the list shall be provided to the Client upon repayment of all postage advances and upon the final payment of all invoices from Eberle and direct mail vendors.
- d. *Property and Materials.* It is understood and agreed that upon termination of this Agreement, any property and material provided under this Agreement by Eberle shall be the sole and exclusive property of Eberle. The Client shall have no right to use this property and material. Nor shall the Client use any direct mail package, or any portion thereof, created under this Agreement subsequent to its termination unless agreed to by Eberle.

9. **Conversion of List Exchange to Rental.**

- a. *List Owners Option.* It is understood and agreed that whenever the Client receives donor names and addresses to mail on an exchange basis, the organization which owns the donor names and addresses or its agent has the right to convert the exchange to a list rental at fifty percent (50%) of the current list rental price.
- b. *Eberle Option.* If sums are due and owing Eberle, or the direct mail vendors on the date notice of termination is given, Eberle or its agent shall have the right to convert any donor names owed to the Client on an exchange basis to list rentals at fifty percent (50%) or less of the current list rental rates subject to the provisions of paragraph 2.a. Sums generated from such conversions, less commissions, shall be applied to the bills of Eberle and the direct mail vendors.

10. **Work In Progress.** Once mailing lists have been scheduled and/or purchase orders issued for a mailing(s), the Client may not cancel or suspend such mailing(s) except by mutual consent of the parties.

11. **Modification.** This writing contains the entire Agreement of the parties. No representations were made or relied upon by either party, other than those that are expressly set forth. No agent, employee, or other representative of either party is empowered to alter any of the terms hereof, unless done in writing and signed by an executive officer of the respective parties.

12. **Controlling Law.** The validity, interpretation, and performance of this Agreement shall be controlled by and construed under the laws of the State of Virginia. The Client further agrees that any and all legal proceedings concerning this Agreement and its interpretation shall be before a court in Northern Virginia and that such court shall have jurisdiction over the parties hereto.

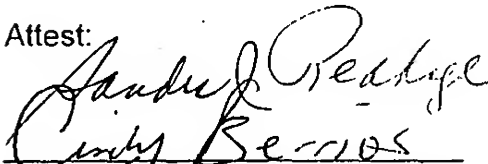
13. **Waiver.** The failure of either party to this Agreement to object or to take affirmative action with respect to any conduct by the other which is in

violation of the terms of this Agreement shall not be construed as a waiver thereof, or of any future breach or subsequent wrongful conduct.

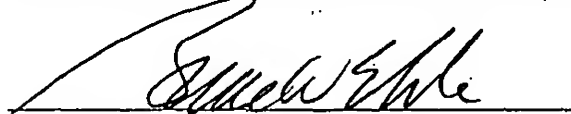
14. **Claims.** The Client specifically agrees to hold Eberle, Omega List Company, their officers, directors, and employees harmless from any and all claims of third parties, of any nature whatsoever, arising out of materials, including copy, or direct mail fund raising projects, letters and/or packages reviewed and approved by the Client. In the event any payment due Eberle and/or direct mail fund raising creditors is not made in accord with the terms of this Agreement and the obligation(s) is referred to any attorney for collection, the Client agrees to pay all costs of collection, including an attorney's fee of twenty percent of the sum due.
15. **Certification.** The Client does hereby certify to Eberle that there is no agreement with other fund raising counsel or with a direct mail fund raiser or list broker currently in existence as of the effective date of this Agreement which conflicts with the terms hereof. The Client further agrees not to enter into any subsequent agreement which conflicts with the terms of this Agreement.
16. **Notices.** All notices pertaining to this Agreement shall be in writing and shall be transmitted either by personal hand delivery, through the facilities of the United States Postal Service or by facsimile transmission. The addresses set forth above for the respective parties shall be the places where notices shall be sent, unless written notice of a change of address is given.

The undersigned do hereby personally warrant and affirm that they are authorized to execute and bind the parties hereto.

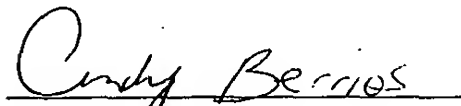
Attest:


Sandra Redhage, Corp. Secretary

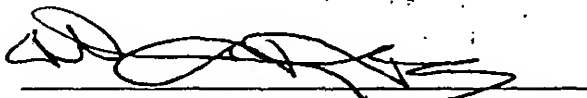
BRUCE W. EBERLE & ASSOCIATES, INC. (Eberle)


Bruce W. Eberle, President

Attest:


Corporate Secretary

Mountain States Legal Foundation (Client)


William Perry Pendley, President



**MOUNTAIN
STATES
LEGAL
FOUNDATION**

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www.mountainstateslegal.org

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Board of Directors

Page Two

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Page Three

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Board of Directors

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Board of Directors

Page Five

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e-mail: dshawcroft@colofb.com

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Chairman
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Vice President, U.S. Governmental and Regulatory Affairs
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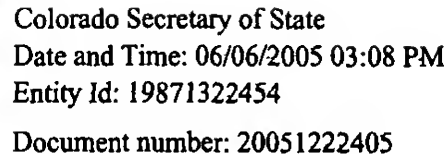
Board of Directors

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Mr. Frank Yates, Jr.
President
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P.O. Box 840
Artesia, NM 88210-0840
(505) 748-4410; FAX (505) 748-4586; e-mail: frank.yates@deskoptional.com



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ID number: 19871322454

MOUNTAIN STATES LEGAL FOUNDATION

(If changing the name of the corporation, indicate name BEFORE the name change)

3. Use of Restricted Words (if any of these terms are contained in an entity name, true name of an entity, trade name or trademark stated in this document, make the applicable selection):

- ☐ "bank" or "trust" or any derivative thereof
☐ "credit union" ☐ "savings and loan"
☐ "insurance", "casualty", "mutual", or "surety"

4. If the corporation's period of duration as amended is less than perpetual, state the date on which the period of duration expires:

(mm/dd/yyyy)

If the corporation's period of duration as amended is perpetual, mark this box: ☒

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5 The amended and restated constituent filed document is attached.

MAY 08 2006

6. The amendment to the articles of incorporation was in the manner indicated below: (make the applicable selection)

OKLAHOMA SECRETARY
OF STATE

- ☒ The amendment and restatement was adopted by the board of directors or incorporators without member action and member action was not required.
- ☐ The amendment and restatement was adopted by the members AND the number of votes cast for the amendment by each voting group entitled to vote separately on the amendment was sufficient for approval by that voting group.

(If the amended and restated articles of incorporation include amendments adopted on a different date or in a different manner, mark this box ☐ and include an attachment stating the date and manner of adoption.)

7. (Optional) Delayed effective date:

(mm/dd/yyyy)

Notice:

Causing this document to be delivered to the secretary of state for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This perjury notice applies to each individual who causes this document to be delivered to the secretary of state, whether or not such individual is named in the document as one who has caused it to be delivered.

8. Name(s) and address(es) of the individual(s) causing the document to be delivered for filing:

<u>Pendley</u>	<u>William</u>	<u>Perry</u>	
(Last)	(First)	(Middle)	(Suffix)
<u>555 17th Street, Suite 3200</u>			
(Street name and number or Post Office Box number)			
<u>c/o Jody Ellis, Holland & Hart LLP</u>			
<u>Denver</u>	<u>CO</u>	<u>80202</u>	
(City)	(State)	(Postal/Zip Code)	
<u>United States</u>			
(Province - if applicable)		(Country - if not US)	

(The document need not state the true name and address of more than one individual. However, if you wish to state the name and address of any additional individuals causing the document to be delivered for filing, mark this box ☐ and include an attachment stating the name and address of such individuals.)

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This form, and any related instructions, are not intended to provide legal, business or tax advice, and are offered as a public service without representation or warranty. While this form is believed to satisfy minimum legal requirements as of its revision date, compliance with applicable law, as the same may be amended from time to time, remains the responsibility of the user of this form. Questions should be addressed to the user's attorney.

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
MOUNTAIN STATES LEGAL FOUNDATION

Pursuant to the provisions of the Colorado Revised Nonprofit Corporation Act, *Mountain States Legal Foundation*, a Colorado nonprofit corporation, adopts the following Amended and Restated Articles of Incorporation. The Amended and Restated Articles of Incorporation constitute an amendment and restatement of the original Articles of Incorporation of the corporation filed with the Secretary of State of Colorado on April 25, 1977, as such Articles of Incorporation have subsequently been amended, correctly set forth the current provisions of the Articles of Incorporation of the corporation, as amended and restated, and supersede the corporation's original Articles of Incorporation and all amendments or supplements thereto or restatements thereof. The Amended and Restated Articles of Incorporation were duly adopted on June 3, 2005, at a meeting of the Board of Directors of the corporation at which a quorum was present, by the affirmative vote of at least a majority of the directors then present. Member action was not required for the adoption of the Amended and Restated Articles of Incorporation.

ARTICLE I

The name of the corporation is Mountain States Legal Foundation (the "Corporation").

ARTICLE II

The period of its duration shall be perpetual.

ARTICLE III

The Corporation is organized exclusively for charitable, scientific, literary or educational purposes within the meaning of and pursuant to section 501(c)(3) of the Internal Revenue Code of 1986 (or under the corresponding provision of any future United States Internal Revenue law), including for such purposes, but not limited to, the following:

- 1. To engage in nonpartisan legal research, study and analysis for the benefit of the general public as to the effect of evolving concepts of the law on our democratic institutions, with respect to both the public and private sectors;*
- 2. To engage in nonpartisan legal research, study and analysis for the benefit of the general public on those questions affecting the public interest with respect to both the public and private sectors;*
- 3. To engage in litigation on behalf of itself, its members, individuals, state and local governments, corporations and other entities which may require representation in such litigation on issues determined by the Board of Directors, in its sole discretion, to be in the public interest including, but not limited to, matters concerning the environment, energy, civil and constitutional rights, and acts of government agencies and departments having an impact upon the public, the free enterprise system and private property rights;*
- 4. To advance the public interest by assisting other organizations which litigate on matters of public interest at all levels of the judicial process;*

5. To advance the public interest by providing legal representation for others whose participation in litigation will assist in the accomplishment of that objective;

6. To undertake and participate in educational activities related to the foregoing purposes of the Corporation;

7. To conduct and sponsor forums, lectures, debates and similar programs;

8. To assist other charitable and educational organizations, exempt under Section 501(c)(3) of the Code, in the conduct of activities similar to the purposes of the Corporation; and

9. To establish in the main office or elsewhere all departments and activities necessary to carry out the purposes of the Corporation.

References in these Amended and Restated Articles of Incorporation to the "Code" shall be to the Internal Revenue Code of 1986, as amended from time to time.

ARTICLE IV

A. No part of the income or net earnings of the Corporation shall inure to the benefit of, or be distributable to, any member, director or officer of the Corporation or any other private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation affecting one or more of its purposes, and reimbursement may be made for any expenses incurred for the Corporation by any officer, director, agent or employee, or any other person or corporation, pursuant to and upon authorization of the Board of Directors); and provided further that no member, director or officer of the Corporation, or any other private individual shall be entitled to share in any distribution of any of the corporate assets on dissolution of the Corporation or otherwise. No substantial part of the activities of the Corporation shall consist of

carrying on propaganda or otherwise attempting to influence legislation, except as otherwise provided in section 501(h) of the Code. The Corporation shall not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of, or in opposition to, any candidate for public office.

B. No part of the assets of the Corporation shall inure to the benefit of or be distributable to any organization whose income or net earnings or any part thereof inure to the benefit of any private shareholder or other individual or any substantial part of the activities of which consists of carrying on propaganda or otherwise attempting to influence legislation.

C. Upon dissolution of the Corporation, all of its assets shall be paid over or transferred to one or more exempt organizations of the kind described in section 501(c)(3) of the Code.

D. Notwithstanding any other provision hereof, this Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization which is tax exempt under the provisions of section 501(c)(3) of the Code.

E. Notwithstanding any other provision of these Articles during any period that the Corporation is a "private foundation" within the meaning of section 509 of the Code, the Corporation shall be required to distribute its income for each taxable year of the Corporation at such time and in such manner as not to subject the Corporation to tax under section 4942 of the Code; and the Corporation shall be prohibited from engaging in any act of self-dealing as defined in section 4941(d) of the Code, from retaining any excess business holdings in violation of the provisions of section 4943(c) of the Code, from making any investments in such manner as to subject the Corporation to tax under

section 4944 of the Code, and from making any taxable expenditures as defined in section 4945(d) of the Code.

ARTICLE V

The Corporation shall have members and such members shall not have the right to vote. There shall be two (2) categories of members, as follows:

1. Individual
2. Organization

Any person, corporation, foundation, labor union, or other organization that pays the membership dues for the appropriate membership category, as established from time to time by the Board Directors, shall become a member of the Corporation. Each member shall remain a member in good standing for as long as such member pays its annual membership dues, unless waived for good cause by the Board of Directors of the Corporation, and meets all other qualifications of membership as set forth in the Bylaws of the Corporation.

ARTICLE VI

The corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, a board of directors.

ARTICLE VII

The address of the registered office of the Corporation is 2596 S. Lewis Way, Lakewood, Colorado, 80227, and the name of its initial registered agent at such address is William Perry Pendley.

ARTICLE VIII

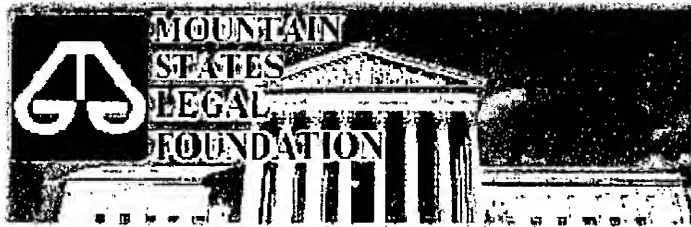
The address of the principal office of the Corporation is 2596 S. Lewis Way, Lakewood, Colorado, 80227.

ARTICLE VIII

There shall be no personal liability, either direct or indirect, of any director of the Corporation to the Corporation or to its members for monetary damages for any breach or breaches of fiduciary duty as a director; except that this provision shall not eliminate the liability of a director to the Corporation or to its members for monetary damages for any breach, act, omission or transaction as to which the Colorado Revised Nonprofit Corporation Act (as in effect from time to time) prohibits expressly the elimination of liability. This provision shall not eliminate the liability of a director to the Corporation or to its members for monetary damages for any act or omission occurring prior to the date when this provision becomes effective (which is the date of filing of these Amended and Restated Articles of Incorporation with the Secretary of State of Colorado). This provision shall not limit the rights of directors of the Corporation for indemnification or other assistance from the Corporation. This provision shall not restrict or otherwise diminish the provisions of Section 13-21-115.7, Colorado Revised Statutes (concerning no liability of directors except for wanton and willful acts or omissions), any amendment or successor provision to such Section, or any other law limiting or eliminating liabilities. Any repeal or modification of the foregoing provisions of this Article by the directors or members of the Corporation or any repeal or modification of the provision of the Colorado Revised Nonprofit Corporation Act which permits the elimination of liability of directors by this Article

shall not affect adversely any elimination of liability, right or protection of a director of the Corporation with respect to any breach, act, omission, or transaction of such director occurring prior to the time of such repeal or modification.

The (a) name or names, and (b) mailing address or addresses, of any one or more of the individuals who cause this document to be delivered for filing, and to whom the Secretary of State may deliver notice if filing of this document is refused, are: Jody Ellis, Paralegal, Holland & Hart LLP, 555 Seventeenth Street, Suite 3200, Denver, Colorado 80202.



Mountain States Legal Foundation

(a Colorado Nonprofit Corporation)

Financial Statements

December 31, 2005

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OF STATE**

Mountain States Legal Foundation

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Independent Auditor's Report

The Board of Directors
Mountain States Legal Foundation
Lakewood, Colorado

We have audited the accompanying statement of financial position of Mountain States Legal Foundation (the "Foundation") (a nonprofit organization) as of December 31, 2005, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Foundation's 2004 financial statements and, in our report dated March 4, 2005, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2005, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Brock and Company, CPAs, P.C.
Certified Public Accountants

Littleton, Colorado
March 16, 2006

Mountain States Legal Foundation

Statement of Financial Position

December 31

	2005	2004 (Comparative Totals Only)
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,021,840	\$ 903,385
Investments	179,265	178,913
Contributions receivable	185,317	206,793
Prepaid expenses and other current assets	64,195	21,020
Total current assets	1,450,617	1,310,111
Beneficial interest in assets held by the Denver Foundation	969,942	839,805
Property and Equipment		
Land	154,705	154,705
Building	1,397,718	1,397,718
Office equipment	143,012	140,099
Furniture and fixtures	140,111	140,111
Professional library	32,185	32,185
Total property and equipment	1,867,731	1,864,818
Less accumulated depreciation	(320,695)	(268,179)
Net property and equipment	1,547,036	1,596,639
Total assets	\$ 3,967,595	\$ 3,746,555
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 20,928	\$ 24,167
Compensated absences	81,652	79,785
Pension payable	26,412	30,152
Endowment fund	20,030	14,302
Accrued expenses	389	940
Current portion of building mortgage	-	28,799
Total current liabilities	149,411	178,145
Building Mortgage, net of current portion	-	421,981
Total liabilities	149,411	600,126
Net Assets		
Unrestricted	3,259,499	2,646,782
Temporarily restricted	-	-
Permanently restricted	558,685	499,647
Total net assets	3,818,184	3,146,429
Total liabilities and net assets	\$ 3,967,595	\$ 3,746,555

The accompanying Notes are an integral
part of this financial statement

Mountain States Legal Foundation

Statement of Activities

Years ended December 31

	Unrestricted	Temporarily Restricted	Permanently Restricted
Revenues			
Contributions	\$ 3,182,433	\$ -	\$ 59,038
Net appreciation on investments	69,750	-	-
Interest and dividend income	28,952	-	-
Loss on disposition of equipment	-	-	-
Other	70	-	-
Net assets released from restrictions	-	-	-
Total revenues	<u>3,281,205</u>	<u>-</u>	<u>59,038</u>
Expenses - Legal			
Salaries and benefits	786,328	-	-
Office expense	217,849	-	-
Outside professional services	50,930	-	-
Printing	16,703	-	-
Travel	21,802	-	-
Total expenses - legal	<u>1,093,612</u>	<u>-</u>	<u>-</u>
Development			
Salaries and benefits	17,334	-	-
Office expense	15,692	-	-
Travel	878	-	-
Total development	<u>33,904</u>	<u>-</u>	<u>-</u>
General and Administrative			
Salaries and benefits	85,522	-	-
Office expense	20,753	-	-
Outside professional services	16,977	-	-
Travel	439	-	-
Total general and administrative	<u>123,691</u>	<u>-</u>	<u>-</u>
Communication and Education			
Salaries and benefits	24,924	-	-
Office expense	821,115	-	-
Travel	439	-	-
Total communication and education	<u>846,478</u>	<u>-</u>	<u>-</u>
Fundraising			
Salaries and benefits	143,289	-	-
Office expense	398,805	-	-
Outside professional services	26,760	-	-
Travel	1,949	-	-
Total fundraising	<u>570,803</u>	<u>-</u>	<u>-</u>
Total expenses	<u>2,668,488</u>	<u>-</u>	<u>-</u>
Change in Net Assets	612,717	-	59,038
Net Assets - Beginning of Year	<u>2,646,782</u>	<u>-</u>	<u>499,647</u>
Net Assets - End of Year	<u>\$ 3,259,499</u>	<u>\$ -</u>	<u>\$ 558,685</u>

2005	2004 (Comparative Totals Only)
\$ 3,241,471	\$ 2,173,242
69,750	66,074
28,952	12,165
-	(21,511)
70	93
-	-
<u>3,340,243</u>	<u>2,230,063</u>
786,328	787,192
217,849	210,579
50,930	61,687
16,703	9,578
21,802	26,578
<u>1,093,612</u>	<u>1,095,614</u>
17,334	16,410
15,692	16,461
878	789
<u>33,904</u>	<u>33,660</u>
85,522	83,641
20,753	21,304
16,977	20,562
439	395
<u>123,691</u>	<u>125,902</u>
24,924	23,140
821,115	306,073
439	395
<u>846,478</u>	<u>329,608</u>
143,289	132,978
398,805	209,938
26,760	425
1,949	894
<u>570,803</u>	<u>344,235</u>
<u>2,668,488</u>	<u>1,929,019</u>
671,755	301,044
<u>3,146,429</u>	<u>2,845,385</u>
<u>\$ 3,818,184</u>	<u>\$ 3,146,429</u>

The accompanying Notes are an integral
part of this financial statement

Mountain States Legal Foundation

Statement of Cash Flows

Years ended December 31

	2005	2004 (Comparative Totals Only)
Cash Flows From Operating Activities		
Cash received from donors	\$ 3,262,947	\$ 2,143,979
Interest and dividends received	28,952	12,165
Miscellaneous cash receipts	70	93
Interest paid	(20,785)	(25,796)
Cash paid to suppliers and employees	(2,638,297)	(1,819,969)
Net cash provided by operating activities	<u>632,887</u>	<u>310,472</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	(2,913)	(6,956)
Net (acquisitions) sales of investments	<u>(1,701)</u>	<u>13,962</u>
Net cash provided (used) by investing activities	<u>(4,614)</u>	<u>7,006</u>
Cash Flows From Financing Activities		
Principal payments on building mortgage	(450,780)	(26,811)
Contributions restricted for permanent endowment	<u>(59,038)</u>	<u>(36,547)</u>
Net cash used by financing activities	<u>(509,818)</u>	<u>(63,358)</u>
Net Increase in Cash and Cash Equivalents	118,455	254,120
Cash and Cash Equivalents at Beginning of Year	<u>903,385</u>	<u>649,265</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,021,840</u>	<u>\$ 903,385</u>

Mountain States Legal Foundation

Statement of Cash Flows

Years ended December 31

	2005	2004 (Comparative Totals Only)
Reconciliation of Changes in Net Assets to Net Cash Provided by Operating Activities		
Changes in net assets	<u>\$ 671,755</u>	<u>\$ 301,044</u>
Adjustments to Reconcile Excess of Revenues over Expenses to Net Cash Provided by Operating Activities		
Depreciation	52,516	52,552
Loss on disposition of equipment	-	21,511
(Gain) loss on sale of investments	(1,827)	1,910
Unrealized appreciation on investments	(67,923)	(67,984)
(Increase) decrease in receivables	21,476	(29,263)
Increase in prepaid expenses and other current assets	(43,175)	(1,330)
Increase in payables and accrued expenses	65	32,032
Total adjustments	<u>(38,868)</u>	<u>9,428</u>
Net Cash Provided by Operating Activities	<u>\$ 632,887</u>	<u>\$ 310,472</u>

Mountain States Legal Foundation

Notes to Financial Statements

December 31, 2005

Note 1 – Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations Mountain States Legal Foundation (the "Foundation") is organized as a nonprofit corporation. The Foundation was created to bring litigation in the public interest in order to effect legal reform. Such litigation involves the representation of clients individually. The nature and extent of such representation varies depending upon the facts and circumstances of each case. The Foundation's Articles of Incorporation do not provide for the issuance of certificates of capital stock. Additionally, no part of the fund balance shall inure to the benefit of, or be distributable to its members, board of directors, officers or other persons. The Foundation is exempt from federal and state income taxes pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code. The Foundation is a publicly supported charity under Sections 509(a)(1) and 170(b)(1)(A)(VI) of the code, and contributions to the foundation are deductible.

Basis of Presentation Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The financial statements have been presented using the accrual basis of accounting.

Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents The Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments The Foundation carries investments in marketable securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Property and Equipment Property and equipment are stated at cost. The cost and accumulated depreciation or amortization of items sold or retired are removed from the respective accounts and the resulting gain or loss is included in revenues or expenses in the period in which the items are sold or retired. Maintenance and repairs are charged to expense as incurred. Major renewals and improvements are capitalized and depreciated over their useful lives.

Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the related assets ranging from 8 to 40 years. The initial costs of assets capitalized at the Foundation's inception, are now fully depreciated. Current additions to library are charged to expense.

In-Kind Contributions In-kind contributions are recorded at the fair market value of the donated asset. In-kind contributions totaled \$435,545 for 2005.

Functional Expenses Certain expenses, including salaries, travel and office expenses are allocated among functional expense classifications based on management's estimates of effort expended.

Comparative Financial Information The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2004, from which the summarized information was derived.

Mountain States Legal Foundation

Notes to Financial Statements

December 31, 2005

Note 2 – Concentrations

Certain cash deposits at the Foundation's financial institutions exceed the FDIC's insured amount of \$100,000.

During 2005, the Foundation received a donation of 55,000 shares of stock from a single donor that had a fair market value of approximately \$425,000. Such donation represented approximately 13% of total contributions and revenue for the year.

Note 3– Beneficial Interest in Assets Held by the Denver Foundation

The Mountain States Legal Foundation (MSLF) Endowment Fund was originally established in 1995, as amended and restated in 2000, at the Denver Foundation. Under the terms of the agency agreement, the Denver Foundation shall hold, manage, invest, administer and distribute all such assets in one or more endowment funds known as the Mountain States Legal Foundation Fund.

The Denver Foundation holds investments on behalf of MSLF in two funds; an endowment fund, and an income depletion fund. The income depletion fund is funded from transfers from the endowment fund according to provisions in the agency agreement. MSLF has full access to both the principal and interest in the income depletion fund. Principal contributions to the endowment fund are permanently restricted.

The Foundation records investments held by the Denver Foundation pursuant to SFAS No. 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*. Accordingly, it has recorded an asset on the statement of financial position for the investments held by the Denver Foundation. At December 31, 2005, \$558,685 of the \$969,942 of assets held by the Denver Foundation are permanently restricted.

Note 4– Investments

The Foundation's investments at December 31, 2005 are stated at fair value and consist of high-grade corporate and government bonds and corporate stocks, as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Depreciation</u>
High-grade corporate and government bonds	\$ 181,021	\$ 178,824	\$ (2,197)
Corporate stocks	<u>441</u>	<u>441</u>	<u>-</u>
	<u>\$ 181,462</u>	<u>\$ 179,265</u>	<u>\$ (2,197)</u>

Investment income (loss) is summarized as follows:

Interest and dividend income	\$ 28,952
Net realized and unrealized gains	<u>69,750</u>
	<u>\$ 98,702</u>

Mountain States Legal Foundation

Notes to Financial Statements

December 31, 2005

Note 5 – Building Mortgage

In October 2005, the Foundation received a donation of 55,000 shares of stock that had a fair market value of approximately \$425,000. The donor designated the gift to pay the remaining amount on the Foundation's obligation under its building mortgage. The Foundation now owns its national headquarters in metropolitan Denver, Colorado. There are no outstanding notes payable as of December 31, 2005.

Note 6 – Retirement Plans

Money Purchase Retirement Plan Substantially all employees (with the exception of one officer who has elected out of coverage) of the Foundation are covered by a money purchase retirement plan. The method of determining monthly plan contributions is based upon 7% of eligible participant's salaries. The Foundation's contribution to the trustee fund, net of forfeitures for terminated employees, amounted to \$27,399 and \$31,158 for the years ended December 31, 2005 and 2004, respectively.

Tax-Deferred Annuity Plan The Foundation sponsors a non-contributory tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code if they wish.

Note 7 – Allocation of Joint Costs

The organization conducts activities that include requests for contributions, as well as program and management and general components. These activities include direct mail campaigns. The Foundation also engages the services of an outside professional fundraising service firm. The costs of conducting these activities include a total of \$2,392,165 of joint costs, which are not specifically attributable to particular components of the activities (joint costs). These joint costs are allocated as follows:

Fundraising	\$ 495,922
Management and general	<u>1,896,243</u>
	<u>\$ 2,392,165</u>

Mountain States Legal Foundation

Notes to Financial Statements

December 31, 2005

Note 8 – Designated Funds

Future Operating Expenses The Board of Directors has decided to invest a portion of contributions received and designate the funds to be used for future operational expenses. The following make up these designated funds at December 31, 2005 and 2004, and are recorded at fair market value:

	<u>2005</u>	<u>2004</u>
Investments:		
High grade corporate and government bonds and mutual funds	\$ 178,824	\$ 177,913
Money market funds	<u>9,352</u>	<u>4,945</u>
	<u>\$ 188,176</u>	<u>\$ 182,858</u>

Note that the money market funds are recorded in cash and cash equivalents. These funds are restricted designations imposed internally and are recorded as unrestricted assets.

Ongoing Litigation A portion of the Foundation's funds are designated for ongoing cases in which the Foundation is currently involved. At December 31, 2005 and 2004, the Foundation has estimated future expenditures on existing cases to be approximately \$47,000 and \$43,000. The cases are classified in the following general categories:

	<u>2005</u>	<u>2004</u>
Public land/Natural resources	\$ 19,000	\$ 20,000
Constitutional	22,000	18,000
Free enterprise	<u>6,000</u>	<u>5,000</u>
	<u>\$ 47,000</u>	<u>\$ 43,000</u>

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2005Open to Public
Inspection

A For the 2005 calendar year, or tax year beginning and ending

B Check if applicable:

☐ Address change
☐ Name change
☐ Initial return
☐ Final return
☐ Amended return
☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
MOUNTAIN STATES LEGAL FOUNDATION

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
2596 SOUTH LEWIS WAY

City or town, state or country, and ZIP + 4
LAKEWOOD, CO 80227

D Employer identification number
84-0736725

E Telephone number
303-292-2021

F Accounting method: ☐ Cash ☒ Accrual
☐ Other (specify) ▶

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Website: **WWW.MOUNTAINSTATESLEGAL.ORG**

J Organization type (check only one) ▶ ☒ 501(c) (3) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

K Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **3,714,396.**

H and **I** are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) If "Yes," enter number of affiliates ▶ **N/A**

H(c) Are all affiliates included? **N/A** ☐ Yes ☐ No
(If "No," attach a list.)

H(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No

I Group Exemption Number ▶ **N/A**

M Check ☐ if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	
1	Contributions, gifts, grants, and similar amounts received:
a	Direct public support 1a 3,165,291.
b	Indirect public support 1b
c	Government contributions (grants) 1c
d	Total (add lines 1a through 1c) (cash \$ 2,729,746. noncash \$ 435,545.) 1d 3,165,291.
2	Program service revenue including government fees and contracts (from Part VII, line 93) 2 40,411.
3	Membership dues and assessments 3
4	Interest on savings and temporary cash investments 4 28,952.
5	Dividends and interest from securities 5
6 a	Gross rents 6a
b	Less: rental expenses 6b
c	Net rental income or (loss) (subtract line 6b from line 6a) -6c
7	Other investment income (describe ▶) 7
8 a	Gross amount from sales of assets other than inventory (A) Securities 443,901. 8a (B) Other
b	Less: cost or other basis and sales expenses 441,072. 8b
c	Gain or (loss) (attach schedule) 2,829. 8c
d	Net gain or (loss) (combine line 8c, columns (A) and (B)) STMT 1 8d 2,829.
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>
a	Gross revenue (not including \$ of contributions reported on line 1a) 9a
b	Less: direct expenses other than fundraising expenses 9b
c	Net income or (loss) from special events (subtract line 9b from line 9a) 9c
10 a	Gross sales of inventory, less returns and allowances 10a
b	Less: cost of goods sold 10b
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a) 10c
11	Other revenue (from Part VII, line 103) 11 35,841.
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11) 12 3,273,324.
Expenses	
13	Program services (from line 44, column (B)) 13 1,940,091.
14	Management and general (from line 44, column (C)) 14 157,595.
15	Fundraising (from line 44, column (D)) 15 570,803.
16	Payments to affiliates (attach schedule) 16
17	Total expenses (add lines 16 and 44, column (A)) 17 2,668,489.
18	Excess or (deficit) for the year (subtract line 17 from line 12) 18 604,835.
Net Assets	
19	Net assets or fund balances at beginning of year (from line 73, column (A)) 19 3,146,429.
20	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 2 20 66,920.
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20) 21 3,818,184.

523001
02-03-06

LHA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2005)

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) ... (cash \$ <u>0</u> - noncash \$ <u>0</u> .) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25 Compensation of officers, directors, etc. * *	225,000.	191,250.	11,250.	22,500.
26 Other salaries and wages	596,999.	460,414.	49,776.	86,809.
27 Pension plan contributions	27,399.	21,152.	3,288.	2,959.
28 Other employee benefits	109,166.	71,463.	15,302.	22,401.
29 Payroll taxes	60,315.	46,300.	5,395.	8,620.
30 Professional fundraising fees	1,083,374.	812,530.		270,844.
31 Accounting fees				
32 Legal fees				
33 Supplies				
34 Telephone	11,660.	9,328.	2,332.	
35 Postage and shipping	16,976.	10,134.	2,534.	4,308.
36 Occupancy	38,479.	30,783.	7,696.	
37 Equipment rental and maintenance	17,445.	10,630.	2,657.	4,158.
38 Printing and publications	16,703.	16,703.		
39 Travel	26,624.	23,358.	1,317.	1,949.
40 Conferences, conventions, and meetings ...	24,360.	19,488.	4,872.	
41 Interest	19,965.	16,571.	3,394.	
42 Depreciation, depletion, etc. (attach schedule)	56,326.	43,245.	8,857.	4,224.
43 Other expenses not covered above (itemize):				
a				
b				
c				
d				
e				
f				
g SEE STATEMENT 3	337,698.	156,742.	38,925.	142,031.
44 Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	2,668,489.	1,940,091.	157,595.	570,803.

Joint Costs. Check ☐ if you are following SOP 98-2.Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ NoIf "Yes," enter (i) the aggregate amount of these joint costs \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;(iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

Form 990 (2005)

* * SEE STATEMENT 4

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ►

PUBLIC INTEREST LAW FIRM

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)

a LEGAL ACTIVITIES—PUBLIC INTEREST LAW FIRM. SEE SCHEDULE 1

(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐

1,940,091.

b

(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐

c

(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐

d

(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐

e Other program services (attach schedule)

(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐

f Total of Program Service Expenses (should equal line 44, column (B), Program services) ► 1,940,091.

Form 990 (2005)

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year	(B) End of year
Assets	45 Cash - non-interest-bearing	84,523.	45 385,522.
	46 Savings and temporary cash investments	818,862.	46 636,316.
	47 a Accounts receivable	47a	47c
	b Less: allowance for doubtful accounts	47b	47c
	48 a Pledges receivable	48a 185,317.	48c
	b Less: allowance for doubtful accounts	48b	48c 185,317.
	49 Grants receivable		49
	50 Receivables from officers, directors, trustees, and key employees		50
	51 a Other notes and loans receivable	51a	51c
	b Less: allowance for doubtful accounts	51b	51c
	52 Inventories for sale or use		52
	53 Prepaid expenses and deferred charges	17,203.	53 64,188.
	54 Investments - securities STMT 5 STMT 6 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	178,913.	54 179,266.
	55 a Investments - land, buildings, and equipment: basis	55a	55c
	b Less: accumulated depreciation	55b	55c
56 Investments - other		56	
57 a Land, buildings, and equipment: basis	57a 1,877,446.	57c	
b Less: accumulated depreciation STMT 7	57b 330,410.	57c 1,547,036.	
58 Other assets (describe <input type="checkbox"/> SEE STATEMENT 8)	839,811.	58 969,949.	
59 Total assets (must equal line 74). Add lines 45 through 58	3,746,554.	59 3,967,594.	
Liabilities	60 Accounts payable and accrued expenses	104,891.	60 102,793.
	61 Grants payable		61
	62 Deferred revenue		62
	63 Loans from officers, directors, trustees, and key employees		63
	64 a Tax-exempt bond liabilities		64a
	b Mortgages and other notes payable	450,780.	64b
	65 Other liabilities (describe <input type="checkbox"/> SEE STATEMENT 9)	44,454.	65 46,617.
66 Total liabilities . Add lines 60 through 65)	600,125.	66 149,410.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
	67 Unrestricted	2,646,782.	67 3,259,499.
	68 Temporarily restricted		68
	69 Permanently restricted	499,647.	69 558,685.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.		
	70 Capital stock, trust principal, or current funds		70
	71 Paid-in or capital surplus, or land, building, and equipment fund		71
	72 Retained earnings, endowment, accumulated income, or other funds		72
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	3,146,429.	73 3,818,184.
74 Total liabilities and net assets/fund balances . Add lines 66 and 73	3,746,554.	74 3,967,594.	

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	3,340,243.
b	Amounts included on line a but not on Part I, line 12:		
1	Net unrealized gains on investments	b1	66,919.
2	Donated services and use of facilities	b2	
3	Recoveries of prior year grants	b3	
4	Other (specify):	b4	
	Add lines b1 through b4	b	66,919.
c	Subtract line b from line a	c	3,273,324.
d	Amounts included on Part I, line 12, but not on line a:		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify):	d2	
	Add lines d1 and d2	d	0.
e	Total revenue (Part I, line 12). Add lines c and d	e	3,273,324.

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements	a	2,668,489.
b	Amounts included on line a but not on Part I, line 17:		
1	Donated services and use of facilities	b1	
2	Prior year adjustments reported on Part I, line 20	b2	
3	Losses reported on Part I, line 20	b3	
4	Other (specify):	b4	
	Add lines b1 through b4	b	0.
c	Subtract line b from line a	c	2,668,489.
d	Amounts included on Part I, line 17, but not on line a:		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify):	d2	
	Add lines d1 and d2	d	0.
e	Total expenses (Part I, line 17). Add lines c and d	e	2,668,489.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
THOMAS M. HAUPTMAN 2812 1ST AVE NORTH, STE 408 BILLINGS, MT 59103-2235	CHAIRMAN 15.00	0.	0.	0.
W. PERRY PENDLEY 2596 S LEWIS WAY LAKEWOOD, CO 80227	PRESIDENT 40.00	225,000.	0.	0.
JOHN F. KANE P.O. BOX 729 BARTLESVILLE, OK 74005 SEE ATTACHED LISTING	TREASURER 15.00	0.	0.	0.
	0.00	0.	0.	0.

Part VI Other Information (continued)

		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
	82b N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	84b N/A		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
	85a N/A		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?		
	85b N/A		
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a	N/A
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 0 ; section 4912 0 ; section 4955 0		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0.
90 a	List the states with which a copy of this return is filed	SEE STATEMENT 10	
b	Number of employees employed in the pay period that includes March 12, 2005	90b	13
91 a	The books are in care of THE FOUNDATION Telephone no. 303-292-2021 Located at 2596 SOUTH LEWIS WAY LAKEWOOD CO, LAKEWOOD, CO 8 ZIP + 4 80227		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country N/A See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b	X
c	At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country N/A	91c	X
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a EAJA ATTORNEY FEE AWARD					40,411.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	28,952.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			03	2,829.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a MISCELLANEOUS					70.
b MAILING LIST INCOME			13	30,140.	
c BENEFICIARY OF AMERICAN					
d FUNDS INSURANCE POLICY			01	5,631.	
e					
104 Subtotal (add columns (B), (D), and (E))		0.		67,552.	40,481.
105 Total (add line 104, columns (B), (D), and (E))					108,033.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
103	MISC INCOME PROVIDED FUNDS TO MEET EXEMPT PURPOSE

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

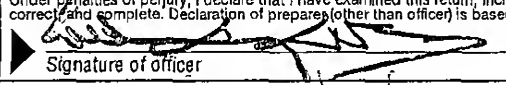
Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)


(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here: Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer:  Date: May 3, 2006 President & Chief Legal Officer

Paid Preparer's Use Only: Preparer's signature:  Date: 5-3-06 Check if self-employed: ☐ Preparer's SSN or PTIN:
 Firm's name (or yours if self-employed), address, and ZIP + 4: BROCK AND COMPANY, CPAS, P.C. 26 WEST DRY CREEK CIRCLE, SUITE 710 LITTLETON, CO 80120 EIN:
 Phone no.: 303-794-5661

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information-(See separate instructions.)

► MUST be completed by the above organizations and attached to their Form 990 or 990-EZ

OMB No. 1545-0047

2005

Name of the organization

MOUNTAIN STATES LEGAL FOUNDATION

Employer identification number

84 0736725

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
STEVEN J. LECHNER 9830 XAVIER CR, WESTMINSTER, CO 80031	SENIOR 40.00	110,000.	21,812.	
J. SCOTT DETAMORE 12610 W. BAYAUD #3, LAKEWOOD, CO 80222	STAFF ATTORNEY 40.00	77,292.	27,294.	
JANICE K. ALVARADO 1375 S UTICA STREET, DENVER, CO 80219	EXECUTIVE ADMIN. 40.00	52,500.	19,077.	
JOSEPH BECKER 2674 S PATTON COURT, DENVER, CO 80210	STAFF ATTORNEY 40.00	50,833.	13,456.	
Total number of other employees paid over \$50,000	0			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
EBERLE AND ASSOCIATES 1420 SPRING HIL ROAD SUITE 490, MCLEAN, VA	FUNDRAISING	179,297.
JANICE V. CHASE CPA 5404 STONEMOOR DRIVE, PUEBLO, CO 81005	ACCOUNTING	52,765.
Total number of others receiving over \$50,000 for professional services	0	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of other contractors receiving over \$50,000 for other services	0	

Part III Statements About Activities (See page 2 of the instructions.)

Yes No

1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)	1		X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.				
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)			
a	Sale, exchange, or leasing of property? _____	2a		X
b	Lending of money or other extension of credit? _____	2b		X
c	Furnishing of goods, services, or facilities? _____	2c		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V-A, FORM 990	2d	X	
e	Transfer of any part of its income or assets? _____	2e		X
3	a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.) _____	3a		X
	b Do you have a section 403(b) annuity plan for your employees? _____	3b	X	
	c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)? _____	3c		X
4	a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds? _____	4a		X
	b Do you provide credit counseling, debt management, credit repair, or debt negotiation services? _____	4b		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is: (Please check only ONE applicable box.)

- 5 ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 ☐ A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state **▶** _____
- 10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the Support Schedule in Part IV-A.)
- 11a ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 11b ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 12 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the Support Schedule in Part IV-A.)
- 13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization: ☐ Type 1 ☐ Type 2 ☐ Type 3

Provide the following information about the supported organizations. (See page 6 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.
Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	1,898,140.	2,036,203.	1,998,697.	2,509,649.	8,442,689.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	12,169.	10,503.	15,527.	43,533.	81,732.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	93.	10,470.	8,821.	576.	19,960.
23 Total of lines 15 through 22	1,910,402.	2,057,176.	2,023,045.	2,553,758.	8,544,381.
24 Line 23 minus line 17	1,910,402.	2,057,176.	2,023,045.	2,553,758.	8,544,381.
25 Enter 1% of line 23	19,104.	20,572.	20,230.	25,538.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					170,888.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					345,336.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					8,544,381.
d Add: Amounts from column (e) for lines: 18 81,732. 19 345,336. 22 19,960. 26b 345,336.					447,028.
e Public support (line 26c minus line 26d total)					8,097,353.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					94.7682%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A (2004) (2003) (2002) (2001)					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A (2004) (2003) (2002) (2001)					
c Add: Amounts from column (e) for lines: 15 16 17 20 21					N/A
d Add: Line 27a total and line 27b total					N/A
e Public support (line 27c total minus line 27d total)					N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					N/A %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

Part V Private School Questionnaire (See page 7 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29	
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30	
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31	
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?	33a	
b Admissions policies?	33b	
c Employment of faculty or administrative staff?	33c	
d Scholarships or other financial assistance?	33d	
e Educational policies?	33e	
f Use of facilities?	33f	
g Athletic programs?	33g	
h Other extracurricular activities?	33h	
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
34 a Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b Has the organization's right to such aid ever been revoked or suspended?	34b	
If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Schedule A (Form 990 or 990-EZ) 2005

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)
(To be completed ONLY by an eligible organization that filed Form 5768)

N/A

Check ☒ a ☐ if the organization belongs to an affiliated group. Check ☐ b ☐ if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table -			
If the amount on line 40 is -	The lobbying nontaxable amount is -		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Schedule B
(Form 990, 990-EZ, or
990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

2005

Name of organization

MOUNTAIN STATES LEGAL FOUNDATION

Employer identification number

84-0736725

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☒ 501(c)(3) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust not treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule—see instructions.)

General Rule—

☐ For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules—

☒ For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test under Regulations sections 1.509(a)-3/1.170A-9(e) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ▶ \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions
for Form 990, Form 990-EZ, and Form 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2005)

Name of organization

Employer identification number

MOUNTAIN STATES LEGAL FOUNDATION

84-0736725

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	CASTLE ROCK FOUNDATION 4100 E MISSISSIPPI AVE., STE. 1850 DENVER, CO 80246-3074	\$ 75,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	MR. PETER E. THIERIOT P.O. BOX 74 ELK MOUNTAIN, WY 82324-0074	\$ 425,150.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	THE MCMURRAY FOUNDATION P.O. BOX 2016 CASPER, WY 82602	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

MOUNTAIN STATES LEGAL FOUNDATION

84-0736725

Part II

[illegible]

Depreciation and Amortization 990
(Including Information on Listed Property)
▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

2005
Attachment
Sequence No. 67

Name(s) shown on return **MOUNTAIN STATES LEGAL FOUNDATION** Business or activity to which this form relates **FORM 990 PAGE 2** Identifying number **84-0736725**

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	105,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	420,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2004 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2006. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special allowance for certain aircraft, certain property with a long production period, and qualified NYL or GO Zone property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	52,516.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2005	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B - Assets Placed in Service During 2005 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2005 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	52,516.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V **Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)
Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No		24b If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No						
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special allowance for certain aircraft, certain property with a long production period, and qualified NYL or GO Zone property placed in service during the tax year and used more than 50% in a qualified business use							25	
26 Property used more than 50% in a qualified business use:								
	:	:	%					
	:	:	%					
	:	:	%					
27 Property used 50% or less in a qualified business use:								
	:	:	%			S/L -		
	:	:	%			S/L -		
	:	:	%			S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.		

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year	
42 Amortization of costs that begins during your 2005 tax year:						
	:	:				
	:	:				
43 Amortization of costs that began before your 2005 tax year					43	3,810.
44 Total. Add amounts in column (f). See the instructions for where to report					44	3,810.

2005 DEPRECIATION AND AMORTIZATION REPORT

FORM 990 PAGE 2

990

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction in Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
2	BUILDINGS											
	BUILDING	11/29/01	SL	40.00	16	1,397,718.		139,585.	1,258,133.	96,917.		31,433.
	* 990 PAGE 2 TOTAL BUILDINGS											
	LAND					1,397,718.		139,585.	1,258,133.	96,917.	0.	31,433.
6	LAND											
	* 990 PAGE 2 TOTAL LAND	11/29/01	SL			154,705.			154,705.			0.
	LAND					154,705.		0.	154,705.	0.	0.	0.
	* 990 PAGE 2 TOTAL - FURNITURE & FIXTURES					1,552,423.		139,585.	1,412,838.	96,917.	0.	31,433.
4	FURNITURE AND FIXTURES											
	FURN & FIXTURES			12.00	16	139,146.			139,146.	79,499.		6,080.
14	ADDITIONS 2004											
	* 990 PAGE 2 TOTAL FURNITURE & FIXTURES				16	965.			965.	54.		72.
	FURNITURE & FIXTURES					140,111.		0.	140,111.	79,553.	0.	6,152.
	* 990 PAGE 2 TOTAL - MACHINERY & EQUIPMENT					140,111.		0.	140,111.	79,553.	0.	6,152.
7	OFFICE EQUIPMENT											
	OFFICE EQUIPMENT 2004			12.00	16	134,108.			134,108.	58,854.		13,562.
8	ADDITIONS											
	OFFICE EQUIPMENT 2005			5.00	16	5,991.			5,991.	670.		1,134.
15	ADDITIONS											
	* 990 PAGE 2 TOTAL MACHINERY & EQUIPMENT				16	2,913.			2,913.			235.
	MACHINERY & EQUIPMENT					143,012.		0.	143,012.	59,524.	0.	14,931.
	* 990 PAGE 2 TOTAL -					143,012.		0.	143,012.	59,524.	0.	14,931.

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
	OTHER											
1	LIBRARY	VARIES	150DB	15.00	17	32,185.			32,185.	32,185.		0.
12	LOAN FEES	VARIES		60M	43	9,715.			9,715.	5,905.		3,810.
	* 990 PAGE 2 TOTAL					41,900.		0.	41,900.	38,090.	0.	3,810.
	OTHER							0.	41,900.	38,090.	0.	3,810.
	* 990 PAGE 2 TOTAL -					41,900.						
	* GRAND TOTAL 990 PAGE 2 DEPR & AMORT					1,877,446.		139,585.	1,737,861.	274,084.	0.	56,326.

FORM 990 GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES STATEMENT 1

DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
50 SHARES SOUTHWEST GAS	1,256.	1,000.	0.	256.
100 SHARES BUDWEISER	4,829.	4,915.	0.	-86.
102 SHARES OFFICE DEPOT	2,923.	2,981.	0.	-58.
494.83 SHARES PIMCO ST FUND	4,938.	4,968.	0.	-30.
97 SHARES CASCADE BANCORP	2,028.	2,058.	0.	-30.
55000 SHARES LIBERTY MEDIA	427,927.	425,150.	0.	2,777.
TO FORM 990, PART I, LINE 8	443,901.	441,072.	0.	2,829.

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 2

DESCRIPTION	AMOUNT
UNREALIZED GAIN	66,920.
TOTAL TO FORM 990, PART I, LINE 20	66,920.

FORM 990 OTHER EXPENSES STATEMENT 3

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
MEMBERSHIP /				
EDUCATION	14,091.	11,506.	0.	2,585.
PROFESSIONAL SERVICE	68,307.	50,930.	16,977.	400.
INSURANCE	19,457.	18,200.	1,257.	0.
LIBRARY MAINTENANCE	33,495.	33,495.		
LITIGATION EXP LESS				
REIMBURSEMENT	8,168.	8,168.		
AUTO	50.	40.	10.	
LITIGATION OUTSIDE				
ATTORNEYS	1,981.	1,981.		
SUBSCRIPTIONS AND				
PUBLICATIONS	3,908.	3,391.	377.	140.
DIRECT MAIL	127,839.			127,839.
OFFICE EXPENSE	36,362.	29,031.	7,331.	0.
WARRIORS OF THE WEST	7,850.	0.	0.	7,850.
FUNDRAISING EXPENSE	3,217.			3,217.
CONTRACT LABOR	12,973.		12,973.	
TOTAL TO FM 990, LN 43	337,698.	156,742.	38,925.	142,031.

FORM 990

OFFICER COMPENSATION ALLOCATION
PART II, LINE 25

STATEMENT 4

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS OF A, B & C
WILLIAM PENDLEY	225,000.			
A. PROGRAM SERVICES	191,250.			191,250.
B. MANAGEMENT AND GENERAL	11,250.			11,250.
C. FUNDRAISING	22,500.			22,500.

TOTAL PROGRAM SERVICES				191,250.
TOTAL MANAGEMENT AND GENERAL				11,250.
TOTAL FUNDRAISING				22,500.
TOTAL OFFICER, ETC., COMPENSATION INCLUDED ON LINE 25				225,000.

FORM 990

NON-GOVERNMENT SECURITIES

STATEMENT 5

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
STOCKS	COST	442.			442.
BONDS	FMV		35,175.		35,175.
TO FORM 990, LINE 54, COL B		442.	35,175.		35,617.

FORM 990	GOVERNMENT SECURITIES	STATEMENT	6
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DESCRIPTION	COST/FMV	U.S. GOVERNMENT	STATE AND LOCAL GOV'T	TOTAL GOV'T SECURITIES
BONDS	FMV	143,649.		143,649.
TOTAL TO FORM 990, LINE 54, COL B		143,649.		143,649.

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	7
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
BUILDINGS	1,397,718.	128,350.	1,269,368.
FURNITURE & FIXTURES	140,111.	85,705.	54,406.
LAND	154,705.	0.	154,705.
MACHINERY & OTHER EQUIPMENT	143,012.	74,455.	68,557.
OTHER	41,900.	41,900.	0.
TOTAL TO FORM 990, PART IV, LN 57	1,877,446.	330,410.	1,547,036.

FORM 990	OTHER ASSETS	STATEMENT	8
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DESCRIPTION	AMOUNT
ENDOWMENT FUND	969,942.
INTEREST RECEIVABLE	7.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	969,949.

FORM 990	OTHER LIABILITIES	STATEMENT	9
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DESCRIPTION	AMOUNT
ENDOWMENT FUND PAYABLE	20,030.
PENSION FUND PAYABLE	26,412.
FWT PAYABLE	175.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B	46,617.

FORM 990

LIST OF STATES RECEIVING COPY OF RETURN
PART VI, LINE 90

STATEMENT 10

STATES

AR, ME, MI, MN, MS, NM, NY, NC, OK, OR, PA, SC, TN, VA, WA, CO, KY, UT

SCHEDULE A

OTHER INCOME

STATEMENT 11

DESCRIPTION	2004 AMOUNT	2003 AMOUNT	2002 AMOUNT	2001 AMOUNT
UNCLAIMED FUNDS	0.	0.	3,821.	0.
PROP TAX REIMBURSEMENT	0.	824.	0.	0.
INSURANCE REIMBURSEMENT	0.	9,646.	0.	0.
OTHER	93.	0.	5,000.	576.
TOTAL TO SCHEDULE A, LINE 22	93.	10,470.	8,821.	576.